

Opening Statement for the Record
Congressman Leonard Lance
Subcommittee on Communications and Technology
“The Lifeline Fund, Money Well Spent?”
April 25, 2013

Thank you Mr. Chairman,

I am pleased that the Subcommittee is holding this hearing today.

I believe the federal Lifeline program, created during the Reagan Administration almost 30 years ago, provides an important public service, ensuring that all Americans, regardless of income, are able to take advantage of basic telecommunications services.

But even the most laudable programs must be scrutinized to make certain they are being conducted in a fiscally responsible manner consistent with using taxpayer dollars wisely and efficiently.

Like many of my colleagues I applauded the many reforms the FCC has enacted to the Lifeline program

Last year the FCC instituted new rules that required carriers that received Lifeline funds certify that their subscribers were eligible for the program, an effort to streamline the program and reduce waste.

But as a result, according to a recent report from the Wall Street Journal, 41 percent of the roughly 6 million subscribers in the Lifeline program "either couldn't demonstrate their eligibility or didn't respond to requests for certification."

And despite reforms by the FCC to address waste, fraud and abuse in the program, spending on Lifeline increased 26 percent last year — rising from \$1.75 billion in 2011 to \$2.2 billion in 2012.

I am optimistic that additional reforms scheduled to take effect this year — including annual recertification requirements, and independent audits — will provide greater oversight of the Lifeline program and possibly discourage those companies and individuals who have taken advantage of the program and jeopardizing its future for those who desperately need it.

I very much look forward to hearing the views of our panel today on ways we can work together to ensure that the federal Lifeline program is being conducted properly and efficiently in the spirit in which it was created under President Reagan almost 30 years ago.

Thank you Mr. Chairman, I yield back my time

